Part III.1

MEMORANDUM OF UNDERSTANDING (MOU)

Respecting the administration of the occupational health and safety regime under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act

AMONG:

Her Majesty in Right of Canada As represented by the Minister of Natural Resources ("NRCAN")

and

Her Majesty in Right of Nova Scotia As represented by the Minister of Energy ("NSE") and the Minister of Labour and Advanced Education ("NSLAE")

and

The Canada-Nova Scotia Offshore Petroleum Board ("the Board")

hereinafter collectively referred to as the "Parties"

WHEREAS the Parties share a desire that a safe working environment exists for offshore workers;

AND WHEREAS under the federal *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the provincial *the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* ("the Accord Acts") the Board has responsibility for administering the provisions of the Accord Acts on behalf of the Government of Canada and Government of Nova Scotia;

AND WHEREAS occupational health and safety matters as they relate to petroleum related work and activity conducted in the offshore area are addressed in Part III.1 of the federal *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and Part IIIA of the provincial *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* ("the OHS Provisions");

AND WHEREAS on behalf of the Government of Canada, NRCAN has responsibilities related to the Accord Acts for the management of offshore petroleum resources and petroleum related work and activity conducted in offshore area, including matters respecting occupational health and safety;

AND WHEREAS on behalf of the Government of Nova Scotia, NSE has responsibilities related to the Accord Acts, other than the OHS Provisions, for the management of offshore petroleum resources and petroleum related work and activity conducted in the offshore area;

AND WHEREAS on behalf of the Government of Nova Scotia, NSLAE has responsibilities under the OHS Provisions of the Accord Acts for occupational health and safety and matters as they relate to petroleum

related work or activity conducted in the offshore area;

AND WHEREAS the OHS Provisions of the Accord Acts provides for the application of Nova Scotia social legislation in respect of workplaces situated within the offshore area in connection with the exploration or drilling for or the production, conservation or processing of petroleum within the offshore area.

AND WHEREAS it is appropriate to describe more formally the process to be followed by the Parties in respect of matters of mutual concern and the understanding among them in relation to the effective administration of the occupational health and safety regime under the Accord Acts;

THEREFORE, the Parties agree as follows:

I. GENERAL

1.1 The purpose of this MOU is to establish an understanding between the Parties in relation to the administration of provisions under the Accord Acts respecting occupational health and safety matters in relation to petroleum related work and activities conducted in the offshore area.

1.2 Any terms not otherwise defined herein have their meaning as set out in the Accord Acts.

1.3 If the name of any Party changes after the signing of this MOU, the new entity is bound by its terms.

1.4 In the event of any inconsistency between this MOU and the Accord Acts, the Accord Acts prevail.

2. ROLES AND ADVICE

2.1 The Board will provide NRCAN, NSLAE and NSE with any reports related to occupational health and safety required to be published under the Accord Acts, reports of Serious Incidents as defined in Annex 2, information respecting the immediate health and safety of persons as set in section 2.6, and any other information upon request respecting health and safety matters in relation to petroleum related work and activities conducted in the offshore area.

2.2 The Board may consider the regulatory practices relating to occupational health and safety provincially, federally and in other offshore regulatory regimes when formulating recommendations or establishing guidelines respecting occupational health and safety matters in the offshore area in an effort to promote greater consistency and certainty.

2.3 NSLAE will, unless prohibited by law, provide advice and information in its possession to the Board or the Chief Safety Officer and NSE relating to occupational health and safety matters respecting the provincial *Labour Standards Code*, the *Workers' Compensation Act*, the *Health Protection Act*, the *Occupational Health and Safety Act* and the *Trade Union Act*.

2.4 NSE will, unless prohibited by law, provide advice and information in its possession to the Board or the Chief Safety Officer and NSLAE on matters which may impact occupational health and safety in relation to petroleum related work and activities conducted in the offshore area. 2.5 NRCAN will, unless prohibited by law, provide advice and information in its possession to the Board or the Chief Safety Officer and NSLAE respecting occupational health and safety matters in relation to petroleum related work and activities conducted in the offshore area. In providing such advice and information, NRCAN will seek input from Labour Canada as needed.

2.6 It is understood by the Parties that any information which may have an immediate effect on the health and safety of persons in the offshore area must be provided to the others without delay.

2.7 It is understood by the Parties that they are not obliged to provide any advice and information referred to in section 2.3 - 2.5 that would be subject to any privilege or immunity from production in legal proceedings, and that the provision of such advice and information by the Parties notwithstanding such privilege or immunity shall not be a waiver of the privilege or immunity. It is also understood that the provision of any advice and information by the Parties that is confidential is subject to any confidentiality that may attach to that information.

2.8 The NRCAN and NSLAE and NSE will consult each other prior to making any recommendation concerning regulations concerning occupational health and safety in the offshore area and NRCAN, NSLAE and NSE will also be responsible for consultation with equivalent counterparts who are responsible for the administration of occupational health and safety in the Newfoundland and Labrador offshore area, and will consult with other departments and agencies with expertise on subject areas that may affect occupational health and safety. The Board will provide technical advice in such matters as appropriate.

3. NOTIFICATION AND COMMUNICATION

3.1 NRCAN and NSLAE will notify the Board and NSE in writing when a special officer has been designated and the scope of the matter for which the special officer has been designated.

3.2 NRCAN and NSLAE will inform any affected operator when a special officer has been designated.

3.3 The Board will advise NRCAN and NSLAE in writing when a marine installation and structure becomes or ceases to be a workplace in the offshore area for the purposes of the OHS Provisions of the Accord Acts or when an authorization has been suspended by the Board.

3.4 The Parties agree to establish a protocol to be annexed to this MOU for the timely and effective notification and communication of incidents, including Serious Incidents defined in Annex 2.

3.5 The Parties shall advise each other of any proceedings or decisions that may affect the interpretation of the OHS Provisions of the Accord Acts and its respective application in the offshore area.

3.6 The Parties shall advise each other if an auditor has been appointed or an inquiry has been called.

3.7 Where practicable, NRCAN and NSLAE will assist the Board, if requested, in matters related to the Board's administration and enforcement of the OHS Provisions.

4. DESIGNATES FOR NOTIFICATION

The following is the title of the designate and contact information for the purposes of giving notice as required by this MOU:

Chief Executive Officer

Canada – Nova Scotia Offshore Petroleum Board 18th Floor TD Centre, 1791 Barrington Street Halifax, Nova Scotia B3J 3K9 Tel: (902) 496-3206

Chief Safety Officer

Canada – Nova Scotia Offshore Petroleum Board 18th Floor TD Centre, 1791 Barrington Street Halifax, Nova Scotia B3J 3K9 Tel: (902) 422-5588

Deputy Minister

Nova Scotia Department of Energy Joseph Howe Building 1690 Hollis St PO Box 2664 Halifax, NS B3J 3J9 Tel: (902) 424-4450

Deputy Minister

Nova Scotia Department of Labour and Advanced Education 5151 Terminal Road PO Box 697 Halifax, NS B3J 2T8 (902) 424-4148

Director General

Petroleum Resources Branch Natural Resources Canada 580 Booth Street, 17th Floor, A6 Ottawa, Ontario K1A 0E4 Tel: (614) 992-8609

A Party may change the designate or contact information by notifying the other Parties in writing.

5. **REPORTING**

5.1 The Board will consult with NRCAN, NSE and NSLAE concerning the reports and statistics which are required under the Accord Acts or are necessary for the purposes of NRCAN, NSE and NSLAE.

5.2 NSLAE, NRCAN and NSE will provide the Board with lists and descriptions of the incidents which they wish to be reported to them, which lists and descriptions may be amended from time to time and Annex 2 attached to this MOU provides the initial list and description.

6. APPOINTMENT OF OCCUPATIONAL HEALTH AND SAFETY OFFICERS

6.1 The requisite skills, qualifications and training requirements necessary for occupational health and safety officers to be designated under the Accord Acts are set out in Annex 3 attached to this MOU. It is understood by the Parties that the requirements may be amended from time to time.

6.2 The Board will ensure that the occupational health and safety officers are trained in accordance with the requirements and maintain the necessary certifications in relation to such designation.

6.3 Upon being satisfied that a Board employee or other recommended person meets the necessary skills, qualifications and training requirements, the Board will initiate the designation process of the employee or other recommended person as an occupational health and safety officer by forwarding a request to NSLAE, and copying NRCAN, to designate the employee or other recommended person. It is understood that such request must be accompanied by the curriculum vitae and training qualifications of the candidate.

6.4 NSLAE will designate the occupational health and safety officer in all cases where it has been demonstrated that the recommended officer meets the requirements set forth in 6.1 above, and will advise the Board of the date upon which it has designated an occupational health and safety officer and the date upon which notification was given to NRCAN.

6.5 NRCAN will advise the Board of the date on which it has received notice of a designation pursuant to Section 6.4.

6.6 NRCAN will designate the occupational health and safety officer in all cases where it has been demonstrated that the recommended officer meets the requirements set forth in 6.1 above, and will advise the Board of the date upon which it has designated an occupational health and safety officer and the date upon which notification was given to NSLAE.

6.7 On completion of the designation process, the Board will provide the occupational health and safety officer an appropriate certificate of designation.

6.8 The Board will advise NRCAN and NSLAE when an occupational health and safety officer ceases to remain in that capacity.

7. OTHER

7.1 The Parties may provide services to one another in support of occupational health and safety matters in addition to those identified in this MOU. Such services will be provided upon such terms as may be agreed by the Parties from time to time.

7.2 Issues arising out of this MOU that cannot be resolved at the staff level will be referred to the Deputy Minister, NSLAE, the Deputy Minister, NSE, the Director General, NRCAN, and the Chief Executive Officer of the Board.

7.3 The Parties, or their designated representatives, shall meet at the request of either Party to review the operation of the MOU and to consider any amendment which may be required.

7.4 The memorandum of understanding among the Parties dated January 1, 1991 is hereby terminated and replaced by this MOU.

8. AMENDMENT AND ANNEXES

8.1 This MOU may be amended upon the mutual consent of the Parties. Unless another date is agreed, an amendment will become effective upon the date of the last signature of a Party.

8.2 Any document describing a co-operative arrangement affecting this MOU which may, from time to time, be concluded between the Parties or their designated representatives, or any other document which the Parties agree, may be annexed to this MOU; and, a list of such Annexes will itself be Annex 1.

8.3 Annex 2 to this MOU may be amended upon mutual consent of NRCAN, NSLAE and NSE.

8.4 Annex 3 to this MOU may be amended upon mutual consent of NRCAN, NSLAE and the Board.

9. **EFFECTIVE DATE**

This MOU is effective from and after 12 day of November, 2014. 9.1

IN WITNESS WHEREOF our signatures are hereunto inscribed:

(Strart Pinks, (CEO)

November 12, 2014

DATE

Chair

Canada-Nova Scotia Offshore Petroleum Board (the Board) - CEO has been derignated by the Board to sign this

12. NOV-2014

Minister of the Department of Energy (NSE)

DATE

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Minister of the Department of Labour and Advanced Education(NSLAE)

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Minister of Natural Resources Canada (NRCAN)

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Annex 1

List of Annexes

Annex 2: Serious Incident

Annex 3: Qualifications of Occupational Health and Safety Officers

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Annex 2

Serious Incident

The serious incident concerning the occupational health and safety of offshore workers of which the Board will promptly inform the NSLAE, NRCAN and NSE pursuant to Section 5.3 of this MOU are hereby defined to be:

- (a) the death of an employee;
- (b) a missing person;
- (c) a bodily injury to an employee, which means "unconsciousness, substantial blood loss, fracture of an arm or leg, amputation of leg, arm, hand or foot, burns to a major part of the body, loss of sight in an eye or any injury that places life in jeopardy";
- (d) an event which results in the triggering of emergency rescue, revival, or evacuation procedures;
- (e) fire or explosion that threatened the safety or health of an employee;
- (f) a free fall of an elevating device that renders the elevating device unsafe for use by an employee;
- (g) exposure to a hazardous substance;
- (h) loss or damage to support craft; or

(i) an incident that had or continues to have reasonable potential of causing bodily injury to or the death of a person.

Annex 3

Qualifications of Occupational Health and Safety Officers

EXPERIENCE

A recognized safety or health designation (e.g. CRSP, CSP, CMIOSH, ROH, CIH), and
Minimum five (5) years petroleum or safety and health related experience, or an equivalent combination of formal education, training, and experience.

DEMONSTRATED COMPETENCIES

- Completion of six-month probationary period

- Act as co-lead, or lead accompanied by a designated OHS Officer, for at least two onsite compliance verifications (i.e. audits or inspections).

- A competency assessment has been performed in accordance with the Board's Officer review practices, and the individual is recommended by the Board for designation as an OHS Officer for the purpose of the administration and enforcement of the OHS Provisions.

CERTIFICATIONS & TRAINING

- Formal Auditor Training
- Law Enforcement Investigation Training
- Regulatory Officer Training

(For the purpose of offshore travel):

- Basic Survival Training
- Hydrogen Sulfide Safety (e.g. H2S Alive)
- WHMIS
- First Aid/ CPR
- Offshore Medical Fitness Certification

OTHER TRAINING AND CONSIDERATIONS

Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively.

Temporary designation of OHS Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such designations may include external consultants.

Qualification requirements for a candidate for temporary designation as an OHS Officer shall be determined on a case by case basis. The designation process will be the same as for any OHS Officer, however the specific circumstances and recommended qualifications shall be clearly described.